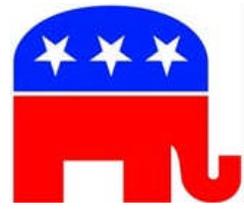


Republicans of River City



Chartered by the California Congress of Republicans

Membership Expires:

THIS IS A FREE MEETING; WE WILL NOT COLLECT ANY DUES AT THE DOOR!

**IT'S TIME TO VOTE FOR THE REPUBLICANS OF RIVER CITY BOARD
COME SOCIALIZE WITH YOUR FRIENDS IN JANUARY AT RIVER CITY
January 20, 2009 in the Ose Room located at: Channel 6, KVIE
2030 W. El Camino Avenue, Sacramento
The social hour starts at 6:30 PM - the general meeting starts at 7:15 PM.**

THIS MONTH, OUR MEMBERS VOTE FOR THE NEW REPUBLICANS OF RIVER CITY BOARD OF DIRECTORS

By Robert Evans

In the article in your last newsletter stated we will vote to establish the board of directors on January 20. The current board, with some exceptions, have agreed to serve for another year.

According to our by-laws, no nominations from the floor are allowed. Each member attending is given a ballot and you vote. That's it.

The members running for election are:

Carl Burton, President
Ed Gorre, 1st Vice President
Betty Axup, 2nd Vice President
Cambria King, Membership Secretary
Robert Evans, Treasurer
Chris Angel, Director
George Bradshaw, Director
Richard Eigenheer, Director

Marian Higdon, Director
Fred Hildebrand, Director
Patty Hildebrand, Director
Al Rogel, Director

Marko Mlikotin, Associate Director
Florin Ciuriuc, Associate Director
Paul Green, Past President

DO YOU HAVE ANY SUGGESTIONS FOR MAKING OUR MEETINGS BETTER?

By Robert Evans

If you have some suggestions for making our meetings better, please come and let us know.

Carl Burton plans to open the floor to any member who has a suggestion to make.

So come prepared to make suggestions and discuss them with the group.

Hopefully we will hear many ideas that help make our meeting more fun and more relevant to all our members.



Carl Burton, President

THE REPUBLICAN DREAM COMES TRUE

By Carl Burton

I was 14 or 15 when I became a Republican after studying and reading about the differences between the various parties. One thing I was sure of - I didn't want to join the party of slavery (the Democrats).

In my studies I learned that on December 6, 1865, the 13th Amendment -- abolishing slavery -- became part of the U.S. Constitution when it was ratified by three-quarters of the states. Despite protests from the Democrats, the Republican Party made banning slavery part of its national platform in 1864. Republican Senator Trumbull of Illinois wrote the final version of the 13th Amendment. "Section 1: Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. Section 2: Congress shall have the power to enforce this article by appropriate legislation."

All Republicans in Congress voted for the 13th Amendment, while nearly all Democrats voted against it. So strongly did

President Abraham Lincoln support the 13th Amendment that he insisted on signing the document, though presidential approval is not part of the amendment process. Outlawing slavery was a Republican achievement.

When I was 18 years old I decided I wanted to visit Washington DC, so with 3 friends I set off in the month of January for DC from Southern California. We took the southern route; I did most of the driving and I enjoyed driving through the western states with their wide open spaces.

When we arrived in the southern states I was shocked and disturbed to see firsthand the racial prejudices that were practiced by Americans on their fellow Americans. To some Americans (Democrats), the phrase "all men are created equal" applied only to the white skin people. To Republicans, it applies to all.

As I drove by the Lincoln Memorial monument and later walked into the halls of Congress it strengthened my faith in the Republican Party because we stand for individual freedom. When I came back to California I joined the National Association for the Advancement of Colored People to help fight the prejudices that I had witnessed in the southern states.

I didn't vote for Barack Obama because of his stated stands on many of the issues facing us today and I worked tirelessly for the election of Senator John McCain because I think he would be the better person for the job. I worked mainly at our Sacramento County Republican Headquarters everyday for 3 months, sometimes opening the office as

early as 6:00 am and not closing until midnight.

But when Barack Obama is sworn in as our next President, it is the fulfillment of the dreams and ideas of our Republican Party that we fought for over, often in the face of open hostility from the Democrat, for the past 150 years; the idea that "all men are created equal."

And I hope to live long enough to see a Republican women sworn in as President. Perhaps in 2012?

ON THIS DATE IN HISTORY

January 1, 1863 - Emancipation Proclamation takes effect.

January 5, 1903 - President Theodore Roosevelt nominates African-American physician William D. Crum as Collector of Customs over racist objections from Senate Democrats.

January 8, 1867 - Republicans override Democrat President Andrew Johnson's veto of law granting voting rights to African-Americans in D.C.

January 10, 1878 - Republican Senator Aaron Sargent (R-CA) introduces Susan B. Anthony amendment for women's suffrage; Democrat controlled Senate defeated it 4 times before election of Republican House and Senate guaranteed its approval in 1919.

January 26, 1922 - House passes bill authored by U. S. Rep. Leonidas Dyer (R-MO) making lynching a federal crime; Senate Democrats block it with filibuster.

January 27, 1964 - U. S. Senator Margaret Chase Smith (R-ME), first woman to be considered for nomination by a major party, announces candidacy for President; she finishes second at Republican National Convention.

IN MY OPINION:

by Chris Angle

The Madoff Affair (The Limits Of Regulation)

Over the last month, the world has been treated to the spectacle of a former head of NASDAQ admitting that he defrauded investors, possibly by as much as \$50 billion dollars. While financial fraud is certainly nothing new (the current financial crisis has brought to light copious amounts of it), the scope and magnitude of this fraud is unparalleled in U.S. history. In addition to putting an exclamation mark on what has been a disastrous and embarrassing year for the financial services industry, the Madoff affair also illustrates the boundaries of what regulation can accomplish as well as illuminating what the individual citizen must do on their own. In addition, this affair illustrates the importance of trust in financial matters, and what can happen when it is abused.

Much of the regulatory structure currently in place is designed to frustrate attempts to mislead or defraud investors, specifically the small investor. In this case, however, it was not the small, unsophisticated investor who got swindled. The victims of this fraud were famous names like Steven Spielberg, and sophisticated investors like Mort Zuckerman. Madoff used the fact that he was the former head of NASDAQ, as well as the fact that he was well-known in certain circles, to engender the trust necessary to induce people to place their money (and their client's money) with him. His returns, while generally consistent in all types of markets, were merely the result of

what he described as a giant Ponzi scheme. Of course, Ponzi schemes tend to eventually collapse, and Mr. Madoff's was no exception.

Although, journalists, politicians, and others will undoubtedly use this incident to buttress calls for wider and more sweeping regulation, this fraud is not a failure of regulation. To be sure, the current financial crisis has exposed many flaws in the existing regulatory framework that will need to be corrected. However, Bernard Madoff committed fraud, which is already illegal. Clearly, either he thought he could get away with it, or he was not deterred by the existing penalties already on the books. The fact that he took advantage of the well-to-do (as opposed to the small investor) says more about the failure of these individuals and institutions to ask the right questions and do the appropriate due diligence, than it does about the adequacy of the current regulatory regime. There were many who did look at Madoff, undertook appropriate due diligence measures, decided not to invest with him, and are very much relieved today that they did not.

Modern financial regulation exists to provide for the orderly conduct of financial transactions, and to help protect the financial interests of those who are not in a position to be able to protect their interests alone. Many of the individuals and hedge funds that were victimized by Madoff, on the other hand, were in a position to protect themselves and failed to do so. While regulation can help to deter and frustrate efforts to commit crimes, regulation cannot completely stop someone who is determined to do something that he knows is illegal. A regulatory

environment that would be able to prevent someone such as Madoff from swindling sophisticated investors would need to be so intrusive to be effective that it would likely effectively eliminate anything resembling free market capitalism in the financial sector. It is only individuals and institutions taking it upon themselves to conduct appropriate due diligence that will ultimately prevent the next Bernard Madoff.

HAVE A LAUGH

SOME THINGS TO PONDER

There are worse things than getting a call for a wrong number at 4 AM. It could be a right number.

Do you realize that in about 40 years, we'll have thousands of old ladies running around with tattoos? (And rap music will be the Golden Oldies!)

Seat belts are not as confining as wheelchairs.

A good time to keep your mouth shut is when you're in deep water.

How come it takes so little time for a child who is afraid of the dark to become a teenager who wants to stay out all night?

The nicest thing about the future is that it always starts tomorrow.

If you don't have a sense of humor, you probably don't have any sense at all.

There are no new sins; the old ones just get more publicity.





THE GOVERNOR'S CORNER

(Excerpts from the Governors State of the State)

I will not give the traditional state of the state address

because the reality is that our state is incapacitated until we solve the budget crisis. The truth is that California is in a state of emergency.

Addressing this emergency is the first and most important and greatest thing that we must do for the people of California. The \$42 billion deficit is a rock upon our chest and we cannot breathe until we get it off. It doesn't make any sense for me to talk here today and stand in front of you and talk about education or infrastructure or water or health care reform and all of those things, when we have this huge budget deficit. I will talk about my vision for all of those things and much more as soon as we get the budget done. So no, I did not come here to deliver the normal list of accomplishments and proposals. I came just simply to encourage this body to continue the hard work that you are doing behind closed doors. I know we're going to get it done.

There is a context, of course and a history to the negotiations that

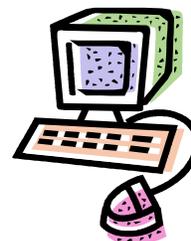
are underway. It is not that California is ungovernable; it is that for too long we have been split by ideology. Conan's sword could not have cleaved our political system in two as cleanly as our own political parties have done. Over time ours has become a system where rigid ideology has been rewarded and pragmatic compromise has been punished. And where has this led us? I think you would agree that in recent years California's legislature has been engaged sometimes in civil war. Meanwhile, the needs of the people became secondary. Our citizens do not believe that we in government are in touch with their needs.

Now, these needs are not unreasonable, may I remind you. At the end of the day most people do not require a great deal from their government. They expect just simply the fundamentals. They want to live in safety, they want good education for their children, they want jobs, they want to breathe clean air, they want water when they turn on the faucet, they want electricity when they turn on the switch and they want those things delivered efficiently and economically.

One of the reasonable expectations that the public has of government is that it will produce a sound and balanced budget.

DID YOU KNOW

Did you know you can now pay your River City dues on line?



It's easy. Just point your computer browser to **REPUBLICANS OF RIVER CITY**, click on **JOIN**, and fill out the form. Then click on the **SUBMIT** button and fill in the credit card information.

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The better guys
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Featuring the Chicken Taco



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- | | |
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| 1st Vice President | Fred Hildebrand, Director |
| Betty Axup, 2nd Vice President | Mary Pearson, Director |
| William Chan, Membership Secretary | Al Rogel, Director |
| Robert Evans, Treasurer | John Signorotti, Director |
| Paul Green, Past President | Barbara Sullivan, Director |
| George Bradshaw, Director | Cambria King, Director |
| Richard Eigenheer, Director | Florin Ciuriuc, Associate Director |
| Ed Gorre, Director | Marko Mlikotin, Associate Director |

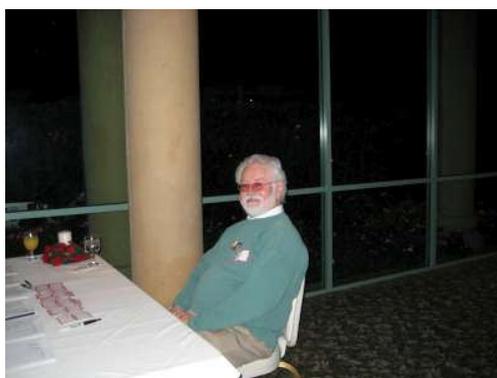
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OUR CHRISTMAS PARTY AT THE ARDEN HILLS COUNTRY CLUB

Here are a few pictures of our members and guests who attended our Christmas party. Everybody I talked to (or heard from) said this was one of the best Christmas parties they had attended and that the food was especially good. Hopefully, this year, we can do it again!



We were a handsome and festive group. The first picture, upper left is Lisa Garcia and Casey (our guard at McCain headquarters); just below Lisa are the Carlsons; next below is Lt. Col. Ed Gorre and Marion Higdon; below Ed and Marion is Jim and Dianna Brice. Center column is Janet Gardner, Dave Sanders and Roger Niello; below is Suzy Wong and her son Ted; below Suzy is Robert Evans; and below Robert is Jim and Jean from Isleton. In the right column is Jessie Loa and Britt; below Jessie is Sandy and Dick Stultz and below Sandy is Jay Mauch, Richard Eigenheer and Craig MacGlashan having their dinner.

As you can see from these few pictures, we had a great time.

SPEAKING OF MAKING SOME CHANGES TO OUR MEETINGS

By Robert Evans

I like our club. I think the Republicans of River City is a great club - a place where you can make some great friends and hear some very interesting things.

But I'd like to suggest that this year - a non election year - we do some different things:

Instead of having 12 meetings where we listen to some interesting political talk we have 5 meeting.

The first meeting, of course, is our January organizational meeting on the 20th.

I'd like to propose that our next meeting be in the Spring and that we go to somewhere fun; how about we all go to Yosemite Park and have lunch (or dinner) at the Ahwahnee Hotel.

I'd next like to propose a Summer jaunt to somewhere fun; how about to Lake Tahoe and we have lunch (or dinner) on that paddle boat that goes around the lake.

For my next suggestion, how about we go in the Fall to the Napa Valley for a wine tasting and lunch (or dinner) at some well known spot (any suggestions?).

Then in December we again have our traditional Christmas party and dinner.

Why am I bringing up these suggestions? Because for the past five years we have gone through non-stop political campaigns and frankly, my dear, I'm tired of politics. I think our club

should exist to be more than some place where we do nothing but politics. We should also be about fun and friendship. It's not that I don't appreciate all the people who have come to our meetings and explained the political process - explained the sometimes unexplainable - but I think we also need some old fashioned fun.

What do you think?

What suggestions do you have to make our club fun in this off election year?

Come to our January meeting and let us know how you would like to spend this year. Do you want to keep the same as last year or would you like something else? Don't be shy - let us know.



MEMBERSHIP APPLICATION

Your membership in Republicans of River City provides you a monthly newsletter, speakers, and an outstanding opportunity to meet your elected officials and California's finest political strategists. River City is also a great way to network and make new friends.

I am a registered Republican and would like to join Republicans of River City.

Name _____

Spouse _____

Address _____

City _____ Zip _____

Occupation _____

Home Phone _____ Work Phone _____

E-Mail: _____

Yearly Membership:

_____ Regular Membership: enclosed is my check for \$25 (Young Professionals 18-25 \$15 per person)

_____ Couples Membership: enclosed is our check for \$40

Signature _____

Date _____

Mail check to: **Republicans of River City**
P. O. Box 1776,
Carmichael, CA 95609-1776

